

MINUTES
State Allocation Board
July 23, 2008

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 4203 of the State Capitol in Sacramento, California on July 23, 2008 at 2:00 p.m.

Members of the Board present were as follows:

- Anne Sheehan, Chief Deputy Director, Policy, Department of Finance, designated alternate for Michael Genest, Director, Department of Finance
- Scott Harvey, Chief Deputy Director, Department of General Services, designated alternate for Will Bush, Director, Department of General Services
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education (CDE), designated representative for Jack O'Connell, Superintendent of Public Instruction
- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California
- Senator Bob Margett
- Senator Jack Scott
- Senator Joe Simitian
- Assembly Member Gene Mullin
- Assembly Member Jean Fuller

Member of the Board absent was as follows:

- Assembly Member Kevin de León

Representatives of the State Allocation Board (SAB) were as follows:

Rob Cook, Executive Officer
Lori L. Morgan, Deputy Executive Officer

Representatives of the Department of General Services, Office of Public School Construction (OPSC), were as follows:

Rob Cook, Executive Officer
Lori L. Morgan, Deputy Executive Officer

Representative of the Department of General Services, Office of Legal Services, was as follows:

Henry D. Nanjo, Assistant Chief Counsel

With a quorum present, Anne Sheehan, Chair, called the meeting to order at 2:05 p.m.

PRIOR MINUTES

A motion was made and carried to approve the Minutes for the June 25, 2008 SAB meeting; however, Assembly Member Mullin abstained from voting on the motion since he was not in attendance at the June SAB meeting.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer informed the Board of the following:

PROJECT INFORMATION WORKSHEET UPDATE

The Project Information worksheet (PIW) was approved by the Office of Administrative Law with an effective date of July 10, 2008. The PIW was posted to the OPSC Web site and a mass mailer was distributed to all school districts and county offices of education notifying them of the approval. The OPSC also developed and launched an automated PIW form for on-line submission.

SCHOOL FACILITY PROGRAM APPORTIONMENTS IN 2008

Since January 2008, the SAB apportioned over \$3.4 billion to projects in the following categories:

New Construction	\$1,332,482,726
Modernization	\$ 321,237,205
Career Technical Education	\$ 205,342,794
High Performance Schools	\$ 10,262,544
Overcrowding Relief Grant	\$ 39,953,524
Critically Overcrowded Schools	\$1,067,616,490
Charter Schools	\$ 504,305,156
Joint-Use	\$ 1,938,948
GRAND TOTAL:	\$3,483,139,387

It was also reported that the \$3.4 billion included projects through June 2008 only. Further, the Executive Officer stated that the following school districts were the top ten funding recipients:

- Los Angeles Unified School District (39 percent)
- San Bernardino City Unified School District (nine percent)
- Kern High and Hesperia Unified School Districts (two percent)
- Colton Jt. Unified, Modesto City, Tracy Jt. Unified, (one percent)
Gilroy Unified, Corona-Norco Unified, and Redlands
Unified School Districts

OVERCROWDING RELIEF GRANT

The final filing date for the second funding cycle for the Overcrowding Relief Grant is July 31, 2008. The OPSC received information from the CDE that there appears to be a limited number of projects submitted for the second funding cycle. Any funds remaining from the second funding cycle will be available for the third funding cycle, which has an application filing deadline of January 29, 2009.

EXECUTIVE OFFICER'S STATEMENT (cont.)**ASSEMBLY BILL 1014 WORKSHOPS**

At the June 2008 SAB meeting, the Board adopted regulations that provide new options for enrollment projections as a result of Assembly Bill 1014. The OPSC plans to conduct workshops throughout the State to provide assistance to school districts with the regulation changes. More information regarding the time and location of these workshops will be posted on the OPSC Web site.

DECEMBER SAB MEETING

The December 2008 SAB meeting has been scheduled for December 10, 2008. The meeting will be held in Anaheim at the Anaheim Convention Center to coincide with the California Green Schools Summit.

CONSENT ITEMS

A motion was made and carried to approve the Consent calendar as presented.

FINANCIAL REPORTS***Status of Funds***

The Board accepted the Status of Funds report as presented.

SPECIAL CONSENT ITEMS***Bass Lake Union Elementary/Madera 51/65185-00-01***

This item was withdrawn at the District's request.

Princeton Joint Unified/Glenn 51/62646-00-001 and 58/62646-00-001

In considering this item, the Board approved the staff's recommendations.

State Relocatable Classroom Program Lease Extension Requests

There was discussion surrounding the use of the correct relocatable classroom ramp size (42"). The Board requested staff to check on whether school districts are in compliance with the 42" ramp size. In considering this item, the Board approved the staff's recommendations.

SPECIALS/APPEALS

Mr. Brian LaPask, representing the SAB staff, presented the School Facility Program Joint-Use Projects, with recognition being extended to the Joint-Use Team that included Ms. Deah Johnson and Ms. Melissa Carrick. In addition, the Executive Officer publicly thanked the State Treasurer's Office and the State Controller's Office for assisting the OPSC in providing additional funds from the old Lease-Purchase Program. These funds enabled all 16 of the eligible School Facility Program (SFP) Joint-Use projects to receive funding. As with the previous funding cycle, the Board discussed the use of foundations as joint-use partners when there is no funding participation coming from these entities. The Board noted that this issue will be addressed for future funding cycles when the Joint-Use regulation amendments becoming effective. In considering this item, the Board approved the staff's recommendations. However, Senator Scott and Assembly Member Mullin abstained from voting on the two Denair Unified School District projects without prejudice, but voted to support the other projects.

Mr. Ed Parraz, Superintendent of the Denair Unified School District, addressed the Board by clarifying the District's utilization of the Denair Education Foundation and thanked the Board for its support.

Los Angeles Unified/Los Angeles 50/64733-00-119, 123, 127, & 131

This item was withdrawn at the District's request.

INFORMATION/REFERENCE***SAB Meeting Dates for the Remaining Calendar Year 2008******School Facility Program Workload List – Applications Received Through July 2, 2008******Deferred Maintenance Program Unfunded List as of June 25, 2008******Emergency Repair Program – Applications Received Through July 2, 2008******Facility Hardship/Rehabilitation Approvals Without Funding List as of June 25, 2008*****MISCELLANEOUS**

Mr. Dave Walrath, representing the Small School Districts Association, thanked the OPSC staff for utilizing the \$7.5 million to fund the SFP Joint-Use projects that were presented to the Board. He expressed concerns regarding the regulatory funding caps relating to the Joint-Use Program (\$1 million for elementary, \$1.5 million for middle, and \$2 million for high schools), citing that these caps have not changed since the inception of this particular program. He requested that the Board refer the issue of the funding caps to the Implementation Committee in ample time before the next Joint-Use funding cycle (July 2009). The Board requested that this issue along with any other issues related to the School Facility Joint-Use Program be submitted to the Implementation Committee for discussion and report back with recommendations at a future SAB meeting.

MISCELLANEOUS (cont.)

A Board member expressed interest concerning how the SAB agenda is organized and processed. Clarification was requested as to what conditions warrant a “withdrawal” since some of the issues are fairly significant and affect many school districts. The Board requested staff to report back at the next SAB meeting and provide a recap over the last two years of those items that have been withdrawn or postponed.

A Board member requested that staff report back at the September SAB meeting on the amount of funds available from the Lease-Purchase Program; options available to the Board; and, an estimate of fund availability between now and the next Joint-Use funding cycle. It was stated that since the School Facility Joint-Use Program will be operating under a new application submittal deadline of March 1, Joint-Use applications must reach the CDE by February 1 and school districts need as much notice as possible. It was clarified that any estimates of funding would not constitute a commitment or obligation on behalf of the SAB, and that potential applicants would be solely responsible for any local decisions and investments.

Ms. Anna Ferrera, representing the County School Facilities Consortium, addressed the Board regarding the lack of the six percent new construction grant adjustment for the special education grants. The Executive Officer clarified that there was not statutory authorization to provide that increase to the special education grants. The Board requested staff to report back at the August SAB meeting on this issue.

CLOSED SESSION

At 3:06 p.m. and in accordance with Section 11126(e)(1) of the Government Code (GC), the Board convened into closed session for the purpose of conferring with and receiving advice from counsel regarding *Fresno Unified School District v. SAB/DGS, et al.*; Case No. 08CECG01393 DRF.

Although previously noticed pursuant to GC Sections 11126(a)(1) and 11126(e)(1), the Board did not meet in closed session to discuss a matter relating to personnel nor did the Board confer or receive advice from counsel regarding *Val Verde Unified School District et al v. State of California et al.*; Case No. RIC 475161.

Upon conclusion of the closed session, the Board reconvened into open session at 3:52 p.m.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 3:54 p.m.

ROB COOK, Executive Officer